

EXHIBIT 4

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended February 26, 2022

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-20214

BED BATH & BEYOND INC.

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of
incorporation or organization)

11-2250488

(IRS Employer
Identification No.)

650 Liberty Avenue, Union, New Jersey 07083

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **908/688-0888**

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, \$.01 par value	BBBY	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer ☒
Non-accelerated filer ☐
Emerging growth company ☐

Accelerated filer ☐
Smaller reporting company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ____

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

As of August 28, 2021, the aggregate market value of the common stock held by non-affiliates (which was computed by reference to the closing price on such date of such stock on the Nasdaq Global Select Market) was \$2,838,477,804.*

The number of shares outstanding of the registrant's common stock (par value \$0.01 per share) at March 26, 2022: 79,845,789.

Documents Incorporated by Reference

Portions of the Registrant's definitive proxy statement for the 2022 Annual Meeting of Shareholders to be filed pursuant to Regulation 14A are incorporated by reference in Part III hereof.

* For purposes of this calculation, all outstanding shares of common stock have been considered held by non-affiliates other than the 866,820 shares beneficially owned by directors and executive officers. In making such calculation, the Registrant does not determine the affiliate or non-affiliate status of any shares for any other purpose.

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manage these relationships, or if these third-party service providers fail to perform, meet expectations, or face disruptions, it could result in the loss of our competitive position and reputational damage and adversely affect our results of operations.

Our success is dependent, in part, on the ability of our employees in all areas of the organization to execute our business plan and, ultimately, to satisfy our customers.

We depend on the skills, working relationships, and continued services of key personnel. In addition, our ability to achieve our operating goals depends on our ability to identify, hire, train, and retain qualified individuals. Our ability to attract and retain qualified employees in all areas of the organization may be affected by a number of factors, including geographic relocation of employees, operations or facilities and the highly competitive markets in which we operate, including the markets for the types of skilled individuals needed to support our continued success. We compete with other companies both within and outside of our industry for talented personnel, and we may lose key personnel or fail to attract, train, and retain other talented personnel. Any such loss or failure could adversely affect our business, results of operations and financial condition.

In particular, our continued success will depend in part on our ability to retain the talents and dedication of key employees. If key employees terminate their employment, become ill (including as a result of the COVID-19 pandemic), or if an insufficient number of employees is retained to maintain effective operations, our business activities may be adversely affected and our management team's attention may be diverted. In addition, we may not be able to locate suitable replacements for any key employees who leave or offer employment to potential replacements on reasonable terms, all of which could adversely affect our business, results of operations and financial condition.

Extreme or unusual weather patterns caused by climate change or otherwise, natural disasters, and other catastrophic events, as well as regulatory or market measures and changing consumer preferences in response to climate change and ESG matters, could adversely affect our business and results of operations.

Our business is susceptible to risks associated with extreme weather patterns, including the impacts of climate change. Extreme weather conditions and natural disasters, such as heavy snow, ice or rain storms, hurricanes, floods, tornados, earthquakes, wild fires, or a combination of these and other factors, could have a material adverse effect on our business, financial condition and results of operation. For example, extreme weather conditions over a prolonged period of time in the areas in which our stores or distribution centers are located, especially in areas with a high concentration of our stores, may make it difficult for our customers or associates to travel to our stores or distribution centers and thereby reduce our sales and profitability. These conditions can have similar impacts to our supply chain operations causing delivery disruptions or delays in order fulfillment. Such extreme weather conditions or natural disasters could cause significant damage to, destroy and/or force the closure of our stores and distribution centers, as well as those of our third-party service providers.

In addition, our business is susceptible to unusual and unseasonable weather patterns, such as extended periods of warm temperatures in the fall and winter seasons or cool temperatures in the spring and summer seasons, which could result in inappropriate inventory levels, especially for our BABY business, and negatively impact our business, results of operations and financial condition.

There is also increased focus, including by investors, customers and other stakeholders, on climate change and other ESG and sustainability matters, including single use plastic, energy, waste and worker safety. Concern about climate and sustainability-related issues may result in changes in consumer preference, including moving away from products considered to have high climate change impact and toward products that are more sustainably made. If we fail to adapt to these changing consumer preferences, our business, results of operations and reputation may be materially adversely affected.

Concern over climate change may result in new or additional legal, legislative and regulatory requirements to reduce or mitigate the effects of climate change on the environment, which could result in future tax, transportation and utility cost increases that adversely affect our business. New or more stringent climate change-related mandates, laws or regulations, or stricter interpretations of existing mandates, law or regulations, could also require additional expenditures by us or our suppliers, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

CAPITAL RISKS

Disruptions in the financial markets could have a material adverse effect on the Company's ability to access our cash and cash equivalents.

We may have amounts of cash and cash equivalents at financial institutions that are in excess of federally insured limits. While we closely manage our cash and cash equivalents balances to minimize risk, if there were disruptions in the financial markets

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(including as a result of the COVID-19 pandemic), we cannot be assured that we will not experience losses on our deposits, and it may negatively impact the availability and cost of capital.

Our stock price has been and may continue to be subject to volatility, and this and other factors may affect elements of our capital allocation strategy such as share repurchases, future dividends and debt reduction.

Our stock price has experienced volatility over time and this volatility may continue, in part due to factors such as those mentioned in this Item 1A. Stock volatility in itself may adversely affect shareholder confidence as well as employee morale and retention for those associates who receive equity grants as part of their compensation packages. The impact on employee morale and retention could adversely affect our business performance and financial results. Stock volatility and other factors may also affect elements of our capital allocation strategy, and our ability to use equity to fund acquisitions or raise capital.

In addition, we have received, and may continue to receive, significant media attention, including from blogs, articles, message boards and social media. Information provided by third parties may not be reliable or accurate, or contain misleading, incomplete or otherwise damaging information, which could influence trading activity in our stock. As a result, our stock has experienced, and could continue to experience, extreme price and volume fluctuations that may be unrelated to our operating performance, financial position or other business fundamentals. This activity along with other factors, including the involvement of short sellers or activist investors in our stock, has materially impacted in the past, and could materially impact in the future, the trading price of our stock, put pressure on the supply and demand for our stock, limit our stockholders from readily selling their shares and result in significant loss of investment.

As part of our capital allocation strategy, since December 2004, our Board of Directors has authorized several share repurchase programs, and in April 2016, the Board of Directors authorized a quarterly dividend program. Decisions regarding share repurchases and dividends are within the discretion of the Board of Directors, and will be influenced by a number of factors, including the price of our common stock, general business and economic conditions, our financial condition and operating results, the emergence of alternative investment or acquisition opportunities, changes in business strategy and other factors. Changes in, or the elimination of, our share repurchase programs or dividend could have a material adverse effect on the price of our common stock. Our share repurchase program could change, and would be influenced by several factors, including business and market conditions, such as the impact of the COVID-19 pandemic on our stock price. In response to the COVID-19 pandemic, in March 2020, we postponed our plans for share repurchases and suspended the payment of dividends and planned debt reductions. We recommenced share repurchase programs on October 28, 2020 and in Fiscal 2020 entered into accelerated share repurchase programs on October 28, 2020 and January 7, 2021 (as amended on January 29, 2021), totaling \$375.0 million. In Fiscal 2021, we announced that we intended to complete our \$1 billion three year repurchase plan by the end of Fiscal 2021, two years ahead of schedule, and completed share repurchases of \$574.9 million, bringing cumulative repurchases under this plan to approximately \$950.0 million through February 26, 2022. An additional approximately \$40.0 million was repurchased in March of 2022. For more information on our dividends and share repurchase programs, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Our business would be adversely affected if we are unable to service our debt obligations.

We have incurred indebtedness under senior unsecured notes and have entered into the ABL Facility. Our ability to pay interest and principal when due, comply with debt covenants or repurchase the senior unsecured notes if a change of control occurs, will depend upon, among other things, sales and cash flow levels and other factors that affect our future financial and operating performance, including prevailing economic conditions and financial and business factors, many of which are beyond our control. Given the current economic environment, and potential adverse effects of the COVID-19 pandemic, for example, we may be unable to maintain compliance with the springing minimum fixed charge coverage ratio covenant under the ABL Facility in future periods, to the extent the covenant is applicable under the terms of the ABL Facility, which would among other things, result in an event of default under the ABL Facility.

If we become unable in the future to generate sufficient cash flow to meet our debt service requirements, we may be forced to take remedial actions such as restructuring or refinancing our debt; seeking additional debt or equity capital; reducing or delaying our business activities, or selling assets. There can be no assurance that any such measures would be successful.

LEGAL AND REGULATORY RISKS

Changes in statutory, regulatory, and other legal requirements at a local, state or provincial and national level, or deemed noncompliance with such requirements, could potentially impact our operating and financial results.

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(in thousands, except per share data)

	February 26, 2022	February 27, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 439,496	\$ 1,352,984
Merchandise inventories	1,725,410	1,671,909
Prepaid expenses and other current assets	198,248	595,152
Total current assets	2,363,154	3,620,045
Long term investment securities	19,212	19,545
Property and equipment, net	1,027,387	918,418
Operating lease assets	1,562,857	1,587,101
Other assets	157,962	311,821
Total assets	\$ 5,130,572	\$ 6,456,930
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 872,445	\$ 986,045
Accrued expenses and other current liabilities	529,371	636,329
Merchandise credit and gift card liabilities	326,465	312,486
Current operating lease liabilities	346,506	360,061
Total current liabilities	2,074,787	2,294,921
Other liabilities	102,438	82,279
Operating lease liabilities	1,508,002	1,509,767
Income taxes payable	91,424	102,664
Long term debt	1,179,776	1,190,363
Total liabilities	4,956,427	5,179,994
Shareholders' equity:		
Preferred stock - \$0.01 par value; authorized - 1,000 shares; no shares issued or outstanding	—	—
Common stock - \$0.01 par value; authorized - 900,000 shares; issued 344,146 and 343,241, respectively; outstanding 81,979 and 109,621 shares, respectively	3,441	3,432
Additional paid-in capital	2,235,894	2,152,135
Retained earnings	9,666,091	10,225,253
Treasury stock, at cost; 262,167 and 233,620 shares, respectively	(11,685,267)	(11,048,284)
Accumulated other comprehensive loss	(46,014)	(55,600)
Total shareholders' equity	174,145	1,276,936
Total liabilities and shareholders' equity	\$ 5,130,572	\$ 6,456,930

See accompanying Notes to Consolidated Financial Statements.